

**Remarks by U.S. Ambassador Paul Cellucci
To the Ontario Trucking Association
Congress Centre
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Thank you very much, David. It is great to be here this morning, a significant Remembrance Day in both Canada and the United States.

I am also very pleased that Jessica LeCroy could join us. She is our new Consul General here in Toronto. We have a big consulate in Toronto. There is a lot of business here for both of our countries. She will be here for the next three years. She has been here about 30 days, so I hope you will welcome her and work with her in the years ahead. Her most recent assignment was one year in Baghdad, so I think she will enjoy the cold Toronto winters.

For the last week obviously I have been getting quite a few questions about what the U.S. election results mean for Canada and for our relationship. I imagine that many of you have similar questions and I will try to answer some of them. I will take questions at the end of my remarks, so if anyone has something they are interested in that I don't hit upon, please feel free to ask a question at the conclusion of my remarks.

Before I start, I think it is important just to take a step back and remind ourselves how much the elections in the United States, just like the national elections in Canada last June, underscore the values that we share.

In both of our countries our most recent elections follow in a long tradition of freely choosing our representatives and our governments. As different as our political systems are in their specifics, both Canada and the United States are rooted in the equality of all citizens under the law and in the right of the citizens to choose their government. After more than 200 years of independence in the United States and more than 100 years of confederation in Canada, free elections still give our political institutions strength and still give our dynamic societies resilience, the values of freedom and equality under the law of the foundations of both our countries, and they have a firm basis for the closest bilateral relationship enjoyed by any two countries on this planet.

So today I would like to address two broad areas. One, I will talk about the U.S.-Canada relations, including the impact of elections in both countries on our bilateral issues, but I also want to stress the global and regional context in which much of our bilateral relationship occurs.

Then I will discuss some specific areas of concern that I know are important to the trucking industry and your Association leaders have already raised them with me.

Let me start with some of the obvious facts. The U.S.-Canadian partnership is huge. There never has been a trading and economic relationship between two countries as large as the one that exists between Canada and the United States today. We have the largest trading relationship in the world by far; it is \$500 billion per year.

U.S. direct foreign investment in Canada is over \$150 billion and Canadian direct foreign investment in the United States is over \$130 billion. For 39 of our 50 States, their number one foreign trading partner is Canada; 23 per cent of the United States exports come north to Canada and 85 per cent of Canadian exports go south to the United States.

No one knows better than you and your drivers that our trading relationship stretches across more than 5,000 miles of shared border and approximately 100 border ports of entry. Millions of jobs are dependent on this trade that goes back and forth across our border every year and every day. The ability of millions of Canadians and Americans to put food on the table, to maintain their way of life and their standard of living, depends on this trading relationship staying strong and growing.

So I think it is no exaggeration to say that when you consider the impact of this relationship on the day-to-day lives of citizens in my country that this is the most important relationship that the United States has with any country in the world. And it is important to remember that this relationship is made up of a dense network of communications and connections between individuals, private institutions, communities, businesses, states, provinces and regions. The largest part of our relationship thrives without reference to either federal government.

But I do want to emphasize that both Prime Minister Martin and President Bush deeply appreciate and understand the importance of this relationship and both of them are anxious to work together to find solutions to our common challenges.

Our two countries are too inter-connected, we are too interdependent, to meet our challenges without the other. We share this continent. We in the United States cannot defend ourselves from international terrorism without Canada's help. Neither of us can protect our citizens from international organized crime without the other. Neither of us can secure the energy resources needed to run our economies and nurture our shared environment without the other. Neither of our countries can manage the aftermath of a natural disaster, manage shared national power grids or prevent a spread of pandemic disease, without close cooperation that our two countries have come to enjoy at all levels.

Last week, when he called President Bush to congratulate him on his electoral victory, Prime Minister Martin renewed his invitation for the President to visit Ottawa. The President has accepted that invitation. As you may recall, the rush of events, specifically the war in Iraq, caused President Bush to postpone the visit to Canada that had been scheduled in the spring of 2003. President Bush and Prime Minister Martin will meet each other at the end of next week, November 20th to 21st at the Summit of the Asia Pacific Economic Conference in Chile. Their two staffs will soon be working; they will be helping on the details of President Bush's visit to Canada and I expect that that visit will take place very soon.

But beyond the timing, the significance of the visit is twofold. It is an opportunity to show that whatever our differences, the United States and Canada share common goals and aspirations, threats and challenges. We share those not just with each other, but also with the rest of the world. This was so before the U.S. elections and it remains so now; and it would have been so regardless of who had won the U.S. elections or the Canadian elections. The visit is also an opportunity to regain momentum on specific items on the bilateral agenda.

Let me begin with the stewardship of our shared environment in North America.

The release of the Arctic Climate Impact Assessment earlier this week has again highlighted the problems of global warming. We in the United States take that assessment's findings very seriously -- indeed, the United States provided most of the funding for that report -- and we look forward to discussing those findings at the meeting of the Arctic Council in Reykjavik later this month.

As you know, the United States and Canada have taken different approaches to the Kyoto Protocol. President Bush decided that the Kyoto standards would have led to a diminution in the standard of living for the people of the United States. He was unwilling to accept that reduction in our standard of living because we believe that if we get the science right we can address global warming and maintain our standard of living as well.

We in the United States remain committed to the central goal of the UN framework to stabilize greenhouse gas concentration. The President announced the policy for the United States in which we will slow, stop and ultimately reverse the greenhouse gas emissions based on sound science. We are committed to cutting our greenhouse gas intensity, that is, emissions per unit of economic activity, by 18 per cent in the next 10 years. That is the equivalent of taking 70 million motor vehicles off the road.

We believe that it is achievable because it is based on a commonsense idea, and that is that economic growth is part of environmental progress. It provides the resources for research and for environmental investment. We are spending \$5.8 billion per year on this issue of global warming, because we do want to get the science right. The stakes are too high not to do so. But to put that amount of money in perspective, not only are we spending more money on this issue than any other country in the world, we are spending more money than all of Europe, all of Japan and Canada combined.

Canada and the United States are cooperating closely in many other areas to curb global warming. In March of 2002 we signed two international agreements on renewable energy and climate science, both of which are aimed at expanding and intensifying shared efforts to address climate change.

Another example is, the United States pledged \$53 million over the next five years in a methane-to-market initiative whose primary aim is to reduce greenhouse gas emissions from leaky oil and gas systems, coal mines and landfills. We hope that Canada will join us and participate in this initiative to the fullest.

We have also undertaken the "FutureGen Project," which is the world's first coal-based zero emissions electricity and hydrogen plant. Under the Clear Skies Initiative, over the next decade most major coal-fired electricity generation plants will have to install state-of-the-art pollution control technology. The point here is that we have abundant coal reserves in North America and these projects will bring us closer to achieving zero emissions coal.

Another topic that has received a lot of media attention in the last 18 months has been BSE. Interestingly, the public focus on the trade issues of BSE has also demonstrated how carefully and thoroughly American and Canadian authorities have worked together to manage the more important public health aspect of the crisis.

The professional manner in which Albertan, Canadian and American authorities tackled the issue demonstrates the real benefits of American and Canadian cooperation. The steps they took were so effective that only four months after the discovery of the first infected cow, trade in boxed beef resumed across the border,

years faster than the resumption of beef trade when BSE was found in any one country before.

The issue of trade in live cattle under the age of 30 months is not yet resolved, but we are working our way towards a solution and I think that light is at the end of the tunnel. We have a rule that once it is published and takes effect we will open the border to the trade in live cattle. What is so impressive in these efforts is that at no time did consumers on either side of the border lose confidence in our meat inspection services. Consumers could continue to eat beef, knowing that our inspectors and scientists have taken the right steps to protect our health.

I know that the current border closure to trade in live cattle is tough on Canadian cattle and dairy farmers, but there is no alternative to taking all the careful steps that the public demands and expects. Any less would risk losing public trust, and that is too precious a commodity to put at risk. So I am hoping that we will have this one behind us in the not too distant future.

Our common agenda is not just limited to economic or environmental issues. We also face a common threat from international terrorism, and we face the common challenges of working together to confront disease, hunger and poverty in troubled regions of the world, and encouraging freedom and democracy as alternatives to tyranny and terror.

The outpouring of Canadian sympathy and support in the aftermath of September 11th continues to amaze and impress me. Like so many of our other friends, Canada recognized that it too had a stake in the outcome of the War on Terror. Since 9/11 we have worked together to build a zone of confidence in North America.

American law enforcement and intelligence agencies are working more closely than ever with their Canadian counterparts to share information and to screen travellers to North America. We are cooperating overseas before visitors board commercial flights to our countries; we are working together on a port security initiative that will screen the millions of shipping containers that enter North America every year.

United States and Canadian military personnel work together as a single unit at NORAD to monitor the air approaches to North America and to protect us from attack. We have amended the NORAD agreement to extend NORAD's existing aerospace warning function to provide aerospace integrated tactical warning and attack assessment. This is a critical piece of the missile defence program that we will be deploying soon.

As the United States proceeds with this program of ballistic missiles defence, we hope that the Canadian government will decide to join us, because we believe this is very consistent with the mission of NORAD. Canada has played a major role in peacekeeping missions in the Balkans and more recently in Haiti. Canada is helping to lead the diplomatic efforts in the violence that afflicts the western Sudan, and Canada has been a leader in Afghanistan.

I mentioned earlier about the free elections that we had in Canada and the United States this year. You probably saw some of the pictures on the TV news last week. There were some pretty long lines at the voting places in the United States. There was a big turnout. That is good news, I think, for American democracy.

But it also reminded me that just a few weeks earlier we saw pictures on the television screens of men and women in Afghanistan waiting to vote. Here is a

country that a little over three years ago women had no role in the society whatsoever. People had no voice in their government. Yet, because of the Canadian Forces and the stabilization efforts the Canadian Forces led, they helped create the climate for free elections in Afghanistan. I think that is something that the Canadian Forces and the people of Canada should be quite proud of.

Although Canada did not join the coalition in Iraq, Canada's navy played a vital support role in patrolling the Persian Gulf, and Canada has been a major contributor to reconstruction in Iraq, having pledged \$300 million to help rebuild the country and establish its new government. We continue to be grateful for Canada's contribution to international security, to have a friend and a neighbour like Canada, one that understands the power of free society. Although there will continue to be challenges in Afghanistan and Iraq, we hope to get to those free elections in Iraq in January.

Let me turn briefly to our shared economic future. Having completed our election campaign I think we need to return to work together to advance our global free trade agenda in NAFTA, the Free Trade Area of the Americas and the Doha Round of the World Trade organization.

The United States, Canada and Mexico just completed a major milestone, 10 years of the North American Free Trade Agreement. NAFTA's success is unquestionable. All three of our countries have prospered under NAFTA. Trade has doubled in general and we have achieved significant increases in trade in intermediate goods, which means that our industries have integrated across borders.

As I mentioned earlier, trade supports millions of jobs, and in supports millions of jobs in all three of the NAFTA countries. Now we need to begin to explore ways in which we can further streamline trade between our countries. We need to find ways to simplify the rules of origin that will allow companies to trade freely in products with components from several countries, and we need ways to streamline our health and safety regulation and to move towards harmonization.

We need to remember that billions of people who live on this planet do not share in the prosperity that we enjoy. The United States and Canada are working together at the Free Trade Area of the Americas and the Doha Round to expand global prosperity.

We need to seize the opportunity to jump-start economic expansion with a global agreement that will break the logjam around agricultural subsidies and will further open markets. The United States has put on the table a significant proposal for \$100 billion reductions in agricultural subsidies. This will mean long negotiations with our trading parties in Europe and Japan, but only by removing these agricultural subsidies will we open new opportunities for agricultural production in other parts of the world. By doing so, we can offer poorer parts of the world the opportunities for greater prosperity to come from fuller integration into the global trading system in economic growth.

I would point out that it is in our security interest to do so as well. If we can help countries create the climate for investment and trade by adopting the rule of law in democratic ways and give people some hope in their lives, it is much less likely that a country would become a training ground for the terrorists, like Afghanistan had become, or a place where the terrorists could recruit new recruits. So it is in our security interest, it is in our economic interest, and I believe it is the right thing to do to try to lift people out of poverty.

Let me spend just a few minutes on specific issues for your industry. All of you are key players in this trade that goes back and forth between Canada and the United States. When I picked up the phone yesterday to call David Bradley, gladly I got the voice message, "If you've got it, a truck brought it." That is certainly true. So let me talk about some of the specific issues on cross-border trade regulations.

New requirements for advanced cargo data and reporting inbound transit shipments are scheduled to go into effect on November 15th at many of the land ports.

Our DHS border officials recognize the need for a large population of FAST-approved drivers. My DHS colleagues are working with you and your drivers to speed up the approval process and to accommodate approved drivers with appointments to meet interview, fingerprint and photo requirements. They are now receiving about 600 new applications a day.

DHS officials are notifying trucking companies directly to encourage your drivers to report for interviews. When needed, we will be happy to open for extended hours if you can guarantee a firm number of drivers in attendance. Unfortunately, in the past when extended hours were offered drivers simply did not take advantage of the opportunity.

Interview requirements are being phased in over a 90-day period so that not all ports will feel the effect at once, but the largest ports will begin implementing the new requirements on November 15th.

DHS officials will, on November 15th, begin stressing the importance of proper inbound transit documentation and the timeliness of advance cargo reporting before enforcement.

DHS has been conducting informed compliance with drivers for the past month, handing out fliers to notify drivers of the new requirements. Our offices will have a minimum period of informed compliance with the new requirements starting November 15th, probably 30 days to start, but the exact time period has not yet been determined.

If the issuance of FAST cards is slower than we think it will be, we are ready to extend the period of informed compliance further. All U.S. government officials understand the need to keep traffic at the border moving while instituting these increased security requirements.

The Transportation and Security Administration, TSA, has issued regulations requiring all drivers with U.S. State and District of Columbia-issued commercial drivers licences to undergo a background check when applying for or renewing their Hazmat endorsement on their licences effective January 31, 2005.

Not all commercial driver's licence holders have the Hazmat endorsement, but these background checks are now required for those that do. The TSA notifies States of drivers who do not qualify because of criminal convictions. The drivers are obligated to turn in their Hazmat endorsements, but not their commercial licences. States are directed to lift Hazmat endorsements for those who do not surrender it voluntarily. Therefore, some drivers may be banned from driving Hazmat but not be banned from driving other types of freight.

The TSA website states that this rule does not apply to Canadian and Mexican citizens on January 31, 2005, but further states that eventually they will be required to meet the same standard. No deadline has yet been identified. TSA is working to

determine how this can best be accomplished, taking into account Canadian and provincial methods of designating Hazmat endorsement, as well as the existence of the new identification program such as FAST.

Finally, Canadian drivers are currently required to meet background checks for haulage of explosives across the border. This requirement has been in place for some time and CBP has raised a list of all approved drivers available to all ports of entry through the electronic systems.

One last issue that I think is quite important for you and your drivers is the issue of border congestion, the need to address the capacity issues, Buffalo-Fort Erie certainly, Detroit-Windsor.

I just wanted to mention that Secretary Ridge and Minister Anne McLellan talked about this at their most recent meeting in Ottawa. They made a pledge that they would get to the Windsor-Detroit corridor within the next 60 to 90 days to try to bring some focus on the need to look at not only the longer term solution to capacity -- and that is the roads, bridges, tunnels decision -- but also what can be done in the short term to alleviate border congestion and to make sure this traffic keeps flowing. So this will be an issue that will have significant attention quite soon.

To conclude, let me just say that I began my remarks by noting the fundamental values that are shared by Canada and the United States. I would like to close on a similar note.

As I mentioned, today is a very special one in the histories of both of our countries, Remembrance Day in Canada and Veterans Day in the United States are very special days of commemoration for all of us. We remember the 11th hour of the 11th day of the 11th month in 1918 when, after four long years, the guns fell silent and the armistice that ended the First World War. We remember that many citizens of both our countries made the ultimate sacrifice in the service of their countries.

And Canada and the United States remember our other allies at the end of that war. It is no coincidence that Great Britain and France are the same allies that set our courses as nations even before our independence and that they remain the oldest allies of both of our countries. With the passing of time our remembrances have extended to the losses of our former adversaries who have long since been reconciled as new allies and friends.

But, above all, we remember the reasons that these sacrifices were made, so that all men and women might live in freedom. Today it is especially important to remember that the value of freedom remains the bedrock of this great relationship between Canadians and Americans.

Thank you very much.